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> OFFICE OF THE ASSISTANT CHIEF OF STAFF, G-2, INTELLIGENCE WASHINGTON 25, D.C.

> > 20 May 1953

Mr. Allen W. Dulles Director, Central Intelligence Agency 2430 E Street, N.W. Washington, D.C.

Dear Mr. Dulles:

Inclosed herewith please find short notes on my recent trip to Central America. It appears to me that we may be on dead center between two possible policies in Guatemala, but I am hardly an expert in that line.

Sincerely yours,

R. C. PARTRIDGE Major General, GS

A. C. of S., G-2

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NOTES ON VISIT TO FOUR CENTRAL AMERICAN COUNTRIES BY A. C. OF S., G-Z, D/A, 8 MAY - 13 MAY 1953

I. GUATEMALA

- a. I spent 48 hours in Guatemala and met the official Americans there, together with the Minister of Defense, Colonel SANCHEZ, and the Chief of Staff of the Armed Forces, Colonel DIAZ.
- b. It is interesting to note that Colonel DIAZ is directly responsible to Congress and has to declare his loyalty thereto every year. Nevertheless, according to my American informants, he carries out the policies of President ARBENZ.
- c. It seemed to be a consensus of American opinion in Guatemala and elsewhere that the Army would remain loyal to the regime and carry out the orders of the President and of the present legally constituted Government, or of any other legally constituted government.
- d. I was told that there was a provision in the Constitution which prohibits a Communist government; hence, the Guatemaian Army would be duty-bound not only not to support an admittedly Communist government but to overthrow it.
- e. I had a couple of opportunities to talk to Ambassador Schoenfeld at some length and he gave me a general picture of the situation there. His picture was confirmed by all other Americans to whom I spoke and it was my belief that all the American observers there are practically unanimous in their evaluation of the situation. It appears to be as follows:
- (i) President ARBENZ denies being a Communist but declares himself to be a man of Liberal principles, determined to reform a very feudally organized country and economy. Everybody knows he has taken drastic steps to accomplish this, including the expropriation of land from large private owners and from the United Fruit Company against a remuneration in long-term bonds. Moreover, when this action was taken to court and decided in favor of the plaintiff, ARBENZ replaced the judges with others who would support his action. I was told that as a matter of actual fact, ARBENZ, when he started to make his liberal reforms, found that nobody had a plan or could produce a plan of action except the Communists. They had a good plan ready and submitted it to him and he accepted it and carried it out. He appears to have

Communists in very powerful positions in the Government including that of controlling the Social Security and Welfare activities. The Communist Party is reorganized under another name and it has succeeded in electing four members to Congress of a body of 50 odd. There are also about a half-dozen officially labelled anti-Communists in this same body. The rest, while largely anti-Communist, do not so label themselves. It appears that an anti-Communist in Guatemala is a man who makes a profession of actively fighting Communists rather than a man who just is against them. Therefore, the bulk of Congress, while they are against Communists, are not classified officially as anti-Communists.

- (2) In addition to his Liberal policies, ARBENZ is a very strong Nationalist. In this he is supported not only by the same Communist group who gave him his plans for Social Reform, but quite naturally by all Guatemalans to a greater or lesser degree. Thus it comes about that all foreign criticism of his policies, either within or without Guatemala, is converted to positive Nationalist ARBENE propagands. His people describe all such criticism as foreign attempts to tamper with Guatemala's internal affairs or worse and this pitch is very effective. Nobody was able to tell me with any conviction whether ARBENZ is a sincere reformer who is being completely duped by the Communists or whether he is implementing what is certainly strongly Communistic policy in order to continue it to its logical conclusion and make his country become really Communistic. He, of course, claims to be a pure reformer who is going to stop short of Communism.
- f. In my interview with Colonel SANCHEE he did not bring up a single item of business or unything concerning relations between our two countries nor did he make any requests. Almost exclusively he spoke of his three children being educated in the United States and brought out pictures of them and his wife and talked at some length about his visits to the U.S. and his children's lives there. I considered this a rather striking attempt to impress me with his closeness to and friendly feeling for the United States.
- g. When I talked to Colonel DIAZ he made a strong point of discussing arms and ammunition and pointed out that with two U.S. Missions (Air and Army) which cost some \$37,000 a year, he thought Guatemala should get some U.S. munitions and equipment as they would best fit the U.S. training which they are receiving at Guatemalan expense. He also stated several times that he and the Guatemaian Army were very friendly toward the U.S.

h. In resume of the above, it appears to me that ARBENS is in a position which is very difficult for us to assail. He is certainly trying to put through land and other reforms with which we have no basis to quarrel and which we must approve in principle. His methods, however, are open to criticism and are receiving plenty of it. Moreover, we and the other three countries mentioned below are very much concerned over the group who are carrying out these reforms. It appears to me that right now we are holding a middle position between two definite policies, one of which we should choose and start implementing. One policy would be to support ARBENZ in making his reforms and insist that in return for our support he use some moderation and climinate the known Communists from power in his regime. The other policy is to oppose ARBENZ seriously with the intention of knocking him and his regime out of power and replacing it with one less liberal. Acting as we are in between these policies without coming out strongly either one way or another, we are providing ARBENZ good propaganda to justify his extreme acts. We are not moving either in the direction of controlling him or of getting rid of him but are simply accepting his activity on his own terms. There is no question but what these drastic reforms which he is implementing do affect the neighboring countries which are only slightly less overdue for reforms of a similar nature. That explains the great concern of the neighboring countries over his activities.

2. EL SALVADOR

- a. I spent one day in San Salvador where I talked with the American officials and met the Under Secretary of Defense, ESCAMILLA; the Chief of Staff, Colonel MOLINA; and the Chief of Police, Et. Col. VALDES. It was very clear both from Americans and Salvadorians that El Salvador is strongly pro-U.S. and strongly anti-Guatemala. It is very much afraid of a Communist penetration from Guatemala which would result in disturbances within El Salvador. The greatest confiscations of land in Guatemala have taken place right close to the Salvadoran border. El Salvador is trying to reduce this pressure by considerable construction of low-cost housing.
- b. Ambassador Duke is most anxious to get an agreement signed for a U.S. Army Mission. The Secretary of Defense has been promising to sign this agreement every week for some time and it is not clear whether he is stalling for time and may never sign it, or if he is bogged down in very detailed paper work. The Ambassador expressed himself very strongly against the closing of the Attache office there. He said that to do so would at least make the Salvadorians feel that the U.S. is not interested in their problems or their danger from Guatemala and at most

make them feel that the U.S. was abandoning them. I am convinced that the post should be maintained as is.

3. HONDURAS

a. In addition to the official Americans, I met the Minister of Foreign Affairs, VALENZUELA; the Minister of War, General PINEDA; and the Chief of Staff, Lt. Col. VELASQUEZ. It was perfectly obvious that Honduras is extremely friendly towards the U.S. and is worried just as is El Salvador, over the Communist undercover activities in Guatemala, and for the same reason. The Minister of War is extremely pro-U.S., but I am told the Army Chief of Staff, who speaks excellent English, is stroagly oriented toward Mexico. He went to school there and is anxious to get a Mexican Military Mission into the country and to equip the Army with Mexican equipment. In addition to our Air and Army Missions, there is a Colonel Mayer who is an ex-sergeant in the Army and in the Marines who is now training the Presidential bodyguard. He feels that a more junior military mission is desirable which would concentrate on details of drill more than the present mission. I am somewhat skeptical of this evaluation. The Ambassador was very strong in his need for a continuation of the Attache post, and I am convinced that we should maintain it for the same reasons as in El Salvador.

4. NICARAGUA

- a. In addition to the chief American officials, I met President 50M02A, who was full of his recent exploits in the mud. He had been out in the country where he joined a military training expedition that was literally bogged down. Apparently he took personal command and got them through their difficulties. He was strong in his expression of affection for the U.S., as were such other Nicaraguans as I met. He also expressed a strong desire to build up a battalion combat team along U.S. lines with U.S. equipment.
- b. It was clear to me that the Ambassador depends very strongly on his Military Attache for general assistance. I believe that we should maintain this Attache post because the Attache is accomplishing good work. We cannot afford to take the Attache out of Nicaragua alone because it would be regarded as a serious slight. I strongly recommend that we keep them in all three countries.

5. PANAMA

a. Since returning to Panama I have discussed the matter of keeping these three Attache posts active with Mr. W ley, the U.S. Ambassador

here. He is even more convinced than I that this is the worst possible time to be relieving any Attache in Central America. The local army runs each of these countries; hence it is our Army Attache who has the best opportunity to keep track of things in general.

6. Since my return to Washington, the retention of the three Army Attache posts in El Salvador, Honduras, and Nicaragua has been approved and implemented.

R. C. PARTRIDGE Major General, GD A. C. of S., G-2

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